DOCUMENT RESUME

ED 255 128 HE 018 180

AUTHOR Kacmarczyk, Ronald H.
TITLE Is There Life After the Golden Years? American Higher Education in the '80s and '90s.
PUB DATE 84
NOTE 42p.
PUB TYPE Information Analyses (070) -- Viewpoints (120)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Administrator Role; *College Administration; Declining Enrollment; Federal Aid; *Financial Policy; Financial Problems; Government Role; *Government School Relationship; *Higher Education; Private Colleges; *Public Policy; *Retrenchment; State Aid; State Colleges; Trend Analysis

ABSTRACT

Historical developments and current trends affecting American higher education are discussed, along with government and college reactions to problems. A review of the literature covers: retrenchment, the federal role in the past, the role of the states, the private sector, population declines, inflation and unemployment, a loss of confidence in higher education, competition for government funds, and government regulation and deregulation. Several states have instituted new ways to finance public higher education, including institutional funding formulas. The federal government has sought to reduce student grants and loans because of the federal budget deficit. Elements of the Reagan Administration's educational policy are outlined. Additional topics include: federal and state actions that affect private colleges, the quality and nature of collegiate managers, possible responses by colleges to declining enrollments, maintaining educational quality, and collegiate responses to financial constraints. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED255128

IS THERE LIFE AFTER THE GOLDEN YEARS?

American Higher Education in the '80s and '90s

by

Ronald H. Kacmarczyk

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Pennie C. Ricken, Asst of H.E.O.T.

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

HE 018 180

Introduction

It is now common wisdom that three new R's have entered American higher education's lexicon. Unlike their classroom counterparts, though, these recent rubrics deal with matters central to institutional survival. Retrenchment, reallocation, reduction, these are the key words in the litany of latter day higher education as both enrollments and dollars begin an apparently sustained decline.

Common wisdom and truth, though, aren't necessarily synonymous. A number of key questions now demand answers derived from careful study and solid logic. For instance:

* What <u>really</u> is the situation in higher education today?
* How did the educators get <u>there</u> --wherever <u>there</u> is?
* What is the situation likely to become in the next 10 to 20 years?
* What can be done to eradicate, or at least palliate, those ills that might befall academe in the next two decades?
* How can collegiate institutional leaders, government decision-makers, and other involved parties be expected to act if today's perceived malaise degenerates into crisis?
* How, in fact, are these individuals and collectives reacting now in the face of current and anticipated fiscal, enrollment, and related problems?

Certainly, these are hard questions to answer. Many have no firm answers at all. Still, if higher education in America is to endure the trauma, when and if and in whatever form it comes, it needs this kind of information. Ill-informed, haphazard, knee-jerk reactions may otherwise become the prevailing protocol for action--and for many, a terminal one at that.

The Past as Paradox, The Past as Predicate

The retrenchment problem presumably facing American higher education emerges from a past at odds with today's realities. Until recently, growth was academe's password [8]. Nourished by democratic ideals, the national philosophy of higher education has steadily evolved from one of elitism to one of universal access [3].

The Federal Role

Caught up in this ideology, the states and the federal government have increased their largess to postsecondary institutions with remarkable regularity over the years. The federal role, especially, has exhibited this cumulative process. Beginning with the Northwest Ordinance of 1787, in which public lands were provided specifically for higher education, federal act after federal act deepened the national commitment. The nineteenth century saw the passage of such legislation as the Morrill Act, which helped establish state agricultural and

mechanic arts colleges. Twenty-five years later, the Hatch Act served as the first instance of direct federal dollars-in-aid to academe [2].

It was not until the twentieth century, though, that federal involvement helped spark an immense surge in the growth of higher education. The process, notes Paula Fass [10], may have been at least partly accidental. Federal programs spawned by the Great Depression may have inadvertently laid the foundation. Inaugurating programs of school construction, of teacher employment, and of educational opportunities for underprivileged groups, the Roosevelt Administration probably established ideas about federal responsibility for education at every level.

The Depression turned the federal focus to education in general. The Second World War, on the other hand, led to a signal attention on higher education, especially via the G.I. Bill [11]. Enjoying vast outlays from state and private sources as well, post-war American academe experienced a doubling of capacity within ten years.

A variety of enactments in ensuing years solidified federal involvement, investment, and commitment [9, 11, 34]. As examples:

* The National Defense Act of 1958, passed on the heels of Russia's launching of Sputnik, led to immense federal investment in academe for purposes of research and technological advancement.

* The Higher Education Act of 1965 committed the federal government to equalization of higher education opportunity, primarily through loans and grants to students.

These pieces of legislation, however, tell only half the story. While increasing its largess to higher education, the federal government also passed laws that increased its control of that sector. The Equal Pay Act of 1963, Title VII of the Equal Employment Opportunities Act, The Age Discrimination Act of 1975--these and other laws exerted pressures on higher education to honor various social goals of government. Lost federal funding was the alternative [34].

The Role of the States

The federal government has indisputably contributed to the phenomenal growth of American higher education. The states, though, have been an even more powerful fermenting agent.

Constitutionally and historically, the primary responsibility for public higher education has resided in the states rather than the federal government [15, 26]. Past events bear out this point. As much as the G.I. Bill encouraged growth in mid-century American higher education, for example, it was not the chief source of enabling revenues. State investment (coupled with private giving) constituted the major fountainhead of dollars for the phenomenal expansion experienced then [11].

Perhaps a recent academic year illustrates state commitment

best. In 1974-75, the income of higher education institutions totalled $35.9 billion. Of this amount, $18.4 billion were from government coffers. Two-thirds of this latter figure came from state coffers [26].

The Private Sector of Higher Education

The previous discussion may erroneously suggest that American higher education equates to American public higher education. It's important to remember that private institutions have constituted a significant subsector of academe in this country. Admittedly, that subsector has been declining as a proportion of the total, from about 50 percent of college students in 1950 to about 20 percent in the past few years. Still, in absolute numbers, enrollments at independent colleges and universities have actually increased. In the period 1970 to 1979 alone, the student population in these schools grew by nearly 16 percent [4, pp. 10; 15].

By way of summary and reiteration, higher education in America has been characterized by almost constant growth (with several notable exceptions) over the past 340 years. Where there were crises, they were usually crises of growth. Where there was effective leadership, it was often so judged by how many additional students it could draw, how many extra buildings it could erect, how many grant dollars it could attract [28]. Much of that kind of leadership can still be found in higher education.

Much of that expansionist ethic is still deeply rooted in its collective mind. Events in the last two decades, though, question the wisdom of this posture.

New Problems, New Trends

History is seldom so pat as to end a particular dynamic one day and begin another the next. So it's been with higher education, particularly over the last 15 years. Instead, there has been a gradual cross-fade from one theme to a distinct and divergent other. The initial theme of growth has gradually, though not completely, been superseded by that of contraction.

As examples, 59 percent of institutions gained in full-time equivalent (FTE) students during the 1970s. But about 29 percent experienced declining enrollments [4, p. 10]. Private giving grew from about $1.8 billion in 1969 to an estimated $3.8 billion in 1979. Those gains, however, were virtually wiped out by inflation [11].

If anything should be kept in mind from this point on, then, it's this: Every problem and trend discussed below is no simple matter. Each is really a confusing congregation of a central point suffused with all kinds of permutations, combinations, complications, and sometimes contradictions.

Declines in Population

One of the most cited trends in higher education is a reduction in enrollments predicated on a decline in the number of traditional college-age students [5, 9, 17, 26, 27, 28]. The baby boom generation has been succeeded by the baby bust generation [9].

The situation, however, is less than clear cut. Fey [11] notes that different parts of the country will experiance varying degrees of loss in this population segment. The Northeast, for instance, will probably sustain about a 40 percent decline in the cohort of 18 to 24 year olds from a 1979 high. The North Central region will follow with an estimated 32 percent reduction. The Western states, with a drop of about 16 percent, and the Sunbelt states, with a reduction of about 13 percent, will feel the least change.

The situation is further complicated by the fact that enrollment and population declines may vary significantly within some states [27]. Finally, demand for higher education services from previously untapped sources of older adults may significantly mitigate enrollment drops at collegiate institutions [7, 9].

If that weren't enough, changes in federal, state, and institutional policies are likely bringing both shifts and drops in college enrollments [27]. The opening of doors to blacks by previously all-white institutions, for instance, may have already

detoured many students from all-black schools. The end of the draft may have already helped to reduce enrollments in any number of schools: Males are no longer seeking college as a refuge from the military.

The net effect of these sometimes countervailing forces can be seen in projections generated by the Connecticut Board of Higher Education [17]. By 1990, that state is expected to sustain a 43 percent drop in the 18 to 24 year old cohort. Still, because of increasing educational demand by older persons, the collegiate FTE count in Connecticut is predicted to fall only 11 percent.

Inflation and Unemployment

Of equal impact on higher education has been inflation which, for a considerable time, was running in double digits [22, 25]. Dede [9] notes that higher education and other labor intensive industries are particularly hard hit by this economic phenomenon: Salaries tend to rise faster than non-personnel costs. The Consumer Price Index helps illustrate this point. During the period 1965 to 1975, the CPI rose by 69 percent. Education costs far outstripped this figure, escalating about 155 percent.

For public institutions of higher education, the nation's high unemployment rate over the last several years has only exacerbated their fiscal situation. These schools are signally dependent on legislatures that can no longer raise sufficient revenues to keep pace with higher education's inflating costs. An

even more extreme reduction in institutional buying power has been the result.

This isn't to say that private institutions have fared better. If anything, recent economic phenomena have inflicted more fiscal damage on them than their public counterparts [8].

Inflation has forced these schools to drive up student charges, on which they depend far more heavily than do public collegiate institutions. Tuition increases, though, lead many prospective students to the public sector. Fiscal distress among private institutions is thereby augmented as more and more seats are left unfilled. The eventual outcome, at least for those private schools that lack the endowment or prestige to carry the day, is financial disaster [8].

Nor is such a scenario purely futuristic. The Carnegie Council on Policy Studies in Higher Education [4, p. 10] notes that over 100 private colleges were forced to close their doors during the 1970s, primarily because of financial distress. Only a few public schools of higher learning went this route.

Loss of Confidence in Higher Education

Unemployment may have eroded the public's ability to contribute to higher education. But a loss of confidence in academe has undermined the public's desire to invest in this sector. Opinion polls have exhibited the public's disillusionment in the effectiveness and efficiency of human services in general

and higher education in particular [1, 12, 28]. As a consequence, more and more individuals are seeing themselves being heavily taxed for no good purpose [31].

The popular psychology is further energized by a growing awareness that less than 20 percent of the labor force, according to some authorities, require a college education. This perception has inevitably led to a "who needs it" attitude in the general population [26].

Competition

This lowering of status, coupled with inflation, unemployment, and declining enrollments, has placed higher education in competition with other governmental and societal concerns [31]. Welfare, health, energy conservation, along with highway construction and upkeep are all contending with academe for limited monies. In many cases, they're winning [26, 31].

Even within education itself, competition for government dollars has sharpened. Primary and secondary schools may be edging out higher education in this struggle. Admittedly, primary and secondary schools are both losing students at a faster pace than academe. But such priority matters as district equalization, the back-to-basics movement, and new programs for the handicapped may be giving them a distinct advantage [26].

Within higher education, as well, competition for students may have reached unheralded proportions [1]. Expensive new

programs, expensive new facilities, and expensive new promises spawned by this competition may have only accentuated the unravelling of academe: Many less affluent private institutions have succumbed altogether, while public institutions have experienced a loss of autonomy to state government authorities.

Regulation

Like some chemical process, the elements mentioned above have interacted to create still another phenomenon--state regulation of public collegiate institutions. In particular, the financial crunch per se, amalgamating with public concern for an accounting of inputs and outputs, has engendered this reality. Legislators and governors are beginning to ask hard questions: Who is being served? What is being offered? Are presumed higher education needs really substantiated? What's happening with funds? When answers have not been acceptable, these officials have exerted new pressures on public academe to insure better management.

Deregulation and De-emphasis

In sharp counterpoint to state actions, federal decision-makers have sought to curtail involvement in higher education. Nor is this brainchild solely the scion of hard-nosed Reaganites. Democratic Senator Daniel Moynihan [cited in 24], for instance, has labelled federal regulation as the real culprit threatening the well-being of higher education today. The claim

may not be unfounded. The University of Minnesota, for example, reported that its institutional costs attending compliance with federal regulations approximated $1 million in 1978. Overregulation was a common complaint among many officials in higher education throughout the country [34].

It must be admitted, though, that the Reagan Administration has spearheaded the deregulation drive. In large part, the move is based on ideological grounds. According to David Clark and Mary Anne Amiot [6], federal administrators, legislators, and education association officers generally perceive that philosophical posture as comprising the following tenets:

* Education is a low priority.
* Education is failing in its mission.
* Federal programs have contributed directly to this failure.
* Enforcement of regulations has converted natural government allies, such as state and local education agencies, into adversaries.
* Justification for federal involvement in education should be based on enlightened self-interest versus a humanistic, welfare viewpoint.

Government Action: Descriptions and Prescriptions

The problems and general trends discussed above have prompted state and federal officials into specific movement, sometimes drastic and precipitous. It has sent analysts to their think tanks in an effort to identify those state and federal strategies that might best serve higher education. Though both governmental actions and analyst recommendations are legion, the following sample might help give a sense of drift in both areas.

The States

In pursuit of such goals as efficiency, effectiveness, and equity, several states have already considered or actually instituted new ways to finance public higher education. Kentucky, Virginia, and South Carolina, for instance, have begun using national faculty salary averages to derive compensation levels for their own faculties. Several other states are utilizing institutional funding formulas that take into account variant costs based on level of study, discipline, and research-instructional cost differentials. Still others, such as Tennessee, are providing extra funds for special mission schools. Along with Tennessee, Ohio is supplying additional monies to collegiate institutions that focus on the educationally disadvantaged [31].

Tennessee has also established a maximum range of enrollment change within which funding can be adjusted. Dollars will

increase or decrease within a limit--at last report set at two percent--but will not alter beyond this point. As an example, should a Tennessee college experience a four percent rise in enrollments, it would receive only a two percent increase in dollars. By the same token, enrollment decreases beyond two percent will not saddle an institution with a grave drop in revenues. The Tennessee ploy is obviously aimed at stabilizing enrollments while containing fluctuations in funding.

Other states are using funding strategies that foster enrollment stabilization while discouraging competition and equalizing enrollments across public institutions. Some, for example, are adopting disincentive plans whereby enrollment increases lead to additional funding, but at a reduced rate. Schools with overenrollments will then have to meet any deficits by hiking student charges. Students are then expected to seek those low-enrollment public institutions that offer low tuition and fee rates.

Other states are setting maximum levels of funding increases from year to year, based on enrollment projections. Florida, for instance, has set a dollar limit for its colleges and universities, based on such forecasts. Those institutions that exceed enrollment caps will receive maximum dollars--and no more. Minnesota has been even more hard-nosed in its approach to funding. In 1976, that state inaugurated a policy by which

enrollment growth at state-funded institutions would result in no dollar increases at all.

Beyond enrollment-based formulas, other funding strategies are being considered. Some states, for example, have contemplated the use of calculations founded, at least in part, on such cost factors as utilities and plant maintenance. Consideration of these items, it's been argued, would result in more equitable funding adjustments since they recognize the unrelatedness of these types of costs to enrollment figures.

Still other tacks are being contemplated or executed. Virginia set funding floors for its institutions so that, irrespective of negative enrollment changes, at least fixed costs could be covered. Other states have considered or adopted subsidization formulas that utilize actual cost data.

The results of these new approaches may lead to a more equitable underwriting of institutions and a better stretch of the tax dollar. Spence and Joyner [31] warn, however, that an inherent danger lies in many of these new approaches: Legislators may find themselves scrutinizing institutional budgets, line item by line item. State monitoring and evaluation mechanisms may thereby intrude into academe's arena. In short, the day of institutional accountability and state regulation may come into full flower.

John Wittstruck [33] points to a recent national survey to

demonstrate the results of trends in state dynamics. Altogether, officials in 42 states and the District of Columbia responded to the survey. Of these, 20 respondents (26%) noted that their states had already experienced shortfalls in tax revenues. Three others were anticipating such shortfalls. More to the point, only five respondents said that their states were increasing taxes to cover higher education costs. On the other hand, 17 states had increased student charges, with nine lessening expenditures for general operations and maintenance. Others had deferred capital construction, library acquisitions, and equipment purchases; had made position and employee reductions along with reductions in salaries and wages; or had reduced enrollment growth and terminated marginal programs.

While the states are acting, educational analysts are waxing eloquent about what the states should do. Earl Cheit [5], for instance, suggests a number of state actions that could help reverse the negative trends predicted for the '80s and '90s. His suggestions include the following:

* States need to learn more about the impact of inflation on higher education in order to deal with this economic phenomenon more effectively.
* States should review their higher educational goals in the new economic context and measure their progress toward those goals. Moreover, states should redefine goals more specifically so that

measurement becomes easier and more precise.

* States should develop new planning procedural relationships. Most current relationships were developed during the "golden years" and are ill-adapted to periods of decline.
* States should work closely with the federal government to convert the hodgepodge of current, often overlapping higher education assistance programs into a non-duplicative system.
* States should simplify accountability procedures such that simple but substantive questions can be answered simply by officials in higher education institutions.
* States should evaluate the dynamic between public and private collegiate institutions to insure that cutthroat tactics don't lead to the demise of the independent sector.

Furthermore, Cheit believes that a new "theory" of state involvement must be developed, with officials at public institutions taking the lead. Otherwise, he foresees the development of state budget and finance committees, at the least. A state push for virtual control of public institutions of higher learning is also possible if these schools don't offer a plan that insures both school autonomy and accountability [see also 26].

John Folger [12] and Richard Millard [26] both emphasize state planning as a way to increase the efficiency and effectiveness of public collegiate institutions. Program Planning and Budgeting (PPBS), zero-base budgeting (ZBB), priority

budgeting, and performance budgeting are among the formats recommended.

In addition, Folger foresees the need for centralized state control and the establishment of formal bureaucratic mechanisms to neutralize possible ills in higher education. Through these mechanisms, planning policy analysis, evaluation, performance audits, and similar analytic methods could substantively assist state deliberative and decision-making bodies.

McComas [25] predicts even more draconian moves. He forecasts the standardization of programs and funding across entire state systems. The mission and scope of state schools will also be limited, he theorizes. McComas notes that one state has already mandated a standardization of course descriptions across all its funded higher education institutions. Yet to come, but likely to come, are standardization of such items as professors' teaching loads, student/faculty ratios, and minimum class size. All in all, says McComas, states will reduce their funding increases to higher education institutions. Resources will also be reallocated to priority programs at the expense of other, less important ones.

The Federal Government

In 1981, Undersecretary of Education William Clohan [7] noted the Administration view that higher education in America is an essentially decentralized system. As a result of this perspective, he foresaw a natural federal withdrawal from higher education--both in terms of regulation and funding. Clohan also suggested, however, that Reagan's policies were largely based on practical considerations. Faced with immense budget deficits, the Administration had targeted academe for decreased funding.

Proposed cuts in student grants and loans serve as an example of the Reagan Administration's commitment. (These monies, according to Clohan, then constituted about half the federal Department of Education budget.) Reagan sought, for instance, a reduction in the Pell Grant Program from $2.4 billion in Program Year 1982-83 to only $1.4 billion in Program Year 1983-84. Guaranteed Student Loans were targeted by Reagan for a drop from $3.07 billion in 1982-83 to less than $2.5 billion in 1983-84 [20].

Additionally, student loans are becoming less accessible to students from middle-income families [18]. For instance, an adult student who has lived with his parents for only six weeks in the past two years must now include their income in eligibility calculations. These additional dollars can easily carry the student above the $30,000 limit for maximum loans. Smaller loans

or total ineligibility may then result. In any event, the new origination fee (usually 5 percent skimmed from the top of the loan) makes this program less palatable than ever before.

These are not the only cuts, proposed or actual. Merle Harris [17] of the Connecticut State Board of Higher Education notes that capitation grants for medical and dental students are being eliminated. ("Capitation grant" literally means an according of funds on the basis of student headcount.) The Social Security Act's Title XX Program, aimed at training human services workers, has already seen its funding severely reduced.

Summarizing the Reagan Administration policy program in education as a whole, Clark and Amiot [6] note five critical elements:

1. Diminution of federal spending.
2. Deregulation.
3. Decentralization, such as converting from categorical to block grants to allow states increased control over educational programming.
4. Disestablishment, as made manifest in the Administration's attempts to dismantle the federal Department of Education.
5. De-emphasis of education in general.

Clark and Amiot, however, foresee an incomplete "eclectic de-emphasis" rather than total disengagement. They note, for instance, that the Administration is fostering the educational

interests of the New Right. Some of these deal with higher education in particular, others with education in general. Included in this agenda are the encouragement of growth in the private sector of higher education and facilitation of parental choice. Emphasis on basic skills, achievement standards, free enterprise, and moral and ethical values are also becoming visible.

Of course, the times may soon be a'changin', with federal election results perhaps presaging a noticeable turn in the entire drift of things. It's really difficult to tell, though, just what will happen. The pressures acting on the Administration and the Congress, depending on where they come from most forcefully (e.g., New Right or New Left), may very well cause some rethinking of promises and some quick-talk out of them.

Government and Private Colleges

John Phillips [29] is particularly concerned about the effects that state and federal government actions are having on the independent sector. He notes that quantitative analyses especially derogate the value of private liberal arts colleges since these analyses concentrate only on graduates' economic contributions. He therefore applauds federal initiatives to increase access to all of higher education. But he also advocates other moves to strike a balance between the public and private sectors. In particular, he recommends capitation grants to

independent higher education institutions, based on general service standards. In addition, he suggests three major themes for federal and state involvement in higher education:

1. Funding should serve students in a free-choice market.
2. Government should exercise judicious intervention in the educational marketplace to stop unfair competition, eliminate unnecessary duplication of services, and assure coordinated responses to new needs.
3. Government should develop "simple, responsive, and representative mechanisms to contain the tendency toward governmental overkill" [29, p. 87].

John McCarty [24] sees the IRS as another avenue through which the federal government could aid the private sector. In particular, he suggests that the federal government adopt a "net tax credit plan." Through this mechanism, an individual (or corporation) would simply compute his or her income tax. Of the amount due, an individual could contribute up to $100 to a collegiate institution. The remainder would go to the government. Corporations would be allowed a maximum $5,000 donation per year. McCarty notes these five advantages to the plan:

1. There would exist no overhead as is involved in the processing of government grants and contracts.
2. No constitutional church-state issue should result: Gifts to church-related colleges and universities are already

legitimate deductions under current IRS regulations.

3. Each college would have free reign over these monies: The monetary gifts could be used to meet whatever demands might arise.
4. There would exist a tendency for dollars to distribute in relation to population concentrations since individuals usually give to nearby schools. Small schools, especially in heavily populated areas, would thereby derive a better chance for survival by appealing to an ample quantity of individual and corporate neighbors.

Collegiate Action: Prescriptions, Predictions, Descriptions

Prescriptions

In all these goings on, the frontline soldier defending the citadel of higher education will be the college administrator. It isn't surprising, then, that concern has lodged on the quality and nature of today's collegiate managers. Cyert [8] is particularly concerned that today's top level executives were weaned on a philosophy of growth. What is needed now, he says, are persons trained in sophisticated managerial techniques, persons who can handle, attenuate, or even neutralize the forces of contraction. The name of the new game seems simple enough: Keep enrollments up, keep costs down, or both.

To reach these goals, Ingram [19] heavily emphasizes

realistic planning, beginning with an entire reappraisal and possible restatement of an institution's mission. Within the context of a strong, centralized organizational structure, the institution's strengths and weaknesses should then be identified. Enrollment forecasts by major and department should next be generated and income/expenditure profiles created.

From such information, plans for the future can be created. These, however, may call for some unpopular moves. Included might be the reallocation of resources from weaker to stronger departments, the retrenchment or actual discontinuation of certain programs, and the relocation, retraining, or removal of various faculty and staff [see also 27].

Richards and Sherratt [30] forthrightly suggest the use of business practices in academe. They recommend the application of efficiency measures, cost/benefit analyses, and general management principles. Areas of responsibility must be clearly defined, they say, and communications channels tightened. Calling for a bold, unified "advancement plan," they further recommend the adoption of marketing principles to identify and attract appropriate students to a revitalized institution.

Richards's and Sherratt's plan emphasizes offense over defense. The development of strong advertising and PR programs, along with the initiation of fundraising campaigns, exemplifies possible aggressive moves they recommend to secure needed dollars

and students.

Carol Frances and Sharon Coldren [13] speak in a similar vein. They encourage collegiate institutions to inaugurate full-scale capital fund drives aimed primarily at private voluntary sources. They posit their argument on a serious erosion in the capital base of higher education--a sector that accounts for 50 percent of America's basic research and 15 percent of its applied research. This situation must be turned around, they add. Otherwise, Americans may see the continuation of an economic slippage that has brought the U.S. standard of living from number one in the world in 1972 to number five in 1980.

The two writers hint that pressures must be brought to bear on government policy-makers, as well. Investment incentives, tax credits, accelerated depreciation, a reduction in corporate taxes--all these could spur individual and business contributions to higher education and help re-establish America's economic primacy in the world.

John Fey [11], on the other hand, is perhaps more centrally concerned with keeping student enrollments up. Nor is he pessimistic on this account. Citing remarks by the American Council on Education (ACE), he predicts that college enrollments can actually increase if certain guidelines are followed.

First, the Fey/ACE strategy involves raising the number of potential college students by increasing the pool of high school

graduates. Two features are involved here. On the one hand, high schools will have to help by developing tacks to graduate 80 percent instead of the current 75 percent of their entrants.

This in itself, though, won't be enough: The number of high school students is declining. An increased percentage of entrants who complete four years may only stabilize the yearly high school graduate count. Many high school dropouts, who constitute a significant body, must also be converted to graduates. To do this, Fey and the ACE recommend an intensification of the high school equivalency exam program, with colleges perhaps helping in the effort.

The Fey/ACE strategy also looks to a vast, largely untapped reservoir of potential students from non-traditional sources. A number of groups are highlighted, among them: women between the ages of 20 and 34, foreign students, men between the ages of 35 and 64, working people, and minority youth.

In all these machinations, there seems to be the shrill ring of opportunism at the expense of quality. Corroboratively, the Carnegie Council on Policy Studies in Higher Education [cited in 11] predicts a downward drift in academe. Not only quality but also balance, integrity, dynamism, diversity, private initiative, and research capability may all be negatively affected.

Writers such as Aaron Wildavsky are more bright eyed about the future. "If small is beautiful," Wildavsky says, "then we are

going to have the opportunity to pretty ourselves up a bit" [32, p. 7]. He believes the time is ripe for institutions to increase quality by making tough decisions based on the answers to some tough questions. A sampling:

* Is the college really providing the highest quality education it feasibly can?
* Is it really teaching its students effectively?
* Are there relict or inefficient programs that no longer deserve to be continued?
* Are there pockets of organizational "fat," be it programmatic or administrative, that can be eliminated?

If these questions are answered honestly and acted upon prudently, Wildavsky notes, adversity can be converted into opportunity: Trimmer, more efficient collegiate institutions of high quality can emerge from today's turmoil.

In short, Wildavsky sees today's troubles in academe as a blessing in disguise. But as Winston Churchill once remarked in another context, the blessing may be well disguised.

Managerial Actions: Some Predictions

Despite all these laudable prescriptions for action, the question remains as to how institutional administrators might act--or already might be acting--as enrollments decline and coffers empty. Murray and Jick [28] tend to be pessimistic about the quality of managerial action in the face of possible crises in

academe. They observe that most high-level managers in higher education lack the training or experience to deal with decline. Growth has been their metier [see also 22].

Next, the two writers contend that, unlike business, collegiate institutions lack critical information systems. These systems could provide early warning of impending drops in either revenues or enrollments. Without such informational conduits, college presidents, particularly, may have to react to crises with neither knowledge nor time on their side.

Finally, the psychophysiological stress generated by today's conditions in academe may also hurt the quality of managerial actions. Citing evidence of its effects, Murray and Jick [28] suggest that stress may impair a president's ability to think rationally and make wise decisions.

Glenny and Bowen [cited in 19] are also pessimistic about the probable actions of today's collegiate decision-makers. The two writers suggest that managerial concerns for faculty and staff may well take precedence over longer-term concerns for institutional health. Quick managerial action concerning faculty changes may sometimes be necessary. Instead, they see in academe today decision-makers who (a) rely on faculty attrition, which is random and slow, (b) tolerate staffing imbalances at the risk of program quality, (c) defer maintenance and reduce equipment and other purchases to protect faculty positions, and (d) cut back on

part-timers to protect full-time faculty.

John Wittstruck [33] carries the scenario one step farther. He visualizes institutional responses to financial constraints as a four-step progression largely devoid of critical thought:

1. The organization seeks to relieve immediate stress. Across-the-board reductions are made. "Targets of opportunity," such as building maintenance and faculty/staff travel, receive especially deep cuts. Personnel are left untouched.
2. Programmatic changes that have little impact on faculty are made.
3. As the financial crisis deepens, faculty adjustments are finally instituted. But these rely primarily on attrition. Vacancies are simply left unfilled or are filled by lower rank personnel.
4. Only when the crisis assumes significant proportions are faculty adjustments actively made. Whole programs, with their faculties, may be terminated at this point.

What are Collegiate Institutions REALLY doing?

Crystal ball gazing obviously has its limitations. Moreover, the dynamic of decline is already a reality in American higher education, however incomplete its impact to date. It seems, then, that a look at academe today can already suggest how administrators are likely to deal with tomorrow's problems and how

their institutions will fare.

Some examples. A look at the literature reveals that fiscal crisis in academe is by no means rare. A report by Richard King [22] highlights this fact. His report, which distills information from 54 of 100 public and private collegiate institutions sent questionnaires, notes these checkered findings:

* Very few of the institutions (3 of 54) had formal policies as regards reduction of expenditures. However, 32 (59%) noted that they had an informal policy or that a formal policy was being developed.
* About 80 percent of schools that expected enrollment drops said they would intensify student recruitment efforts rather than reduce costs.
* Private institutions appeared to be looking to cooperative efforts in the future [see also 16].
* A majority of private institutions said that fundraising efforts would become a high priority.
* The privates were especially reluctant to increase tuition.
* In lowering expenditures, private institutions were primarily considering reductions in faculty and staff, cutbacks in operations and maintenance, a reduction in facilities being used, and the institution of management information systems. Hardest hit by personnel cuts would be non-instructional staff, followed by part-time faculty and non-tenured faculty. Tenured

faculty would be least affected. (This progression held for both public and private schools.)

* Of special importance, some institutions (virtually all private) had already declared a state of financial exigency. This condition, according to the American Association of University Professors [cited in 22, p. 3] exists when "an imminent financial crisis . . . threatens the survival of the institution as a whole and . . . cannot be alleviated" except by drastic measures.
* Public institutions seemed to focus heavily on lowering expenditures to meet enrollment and dollar reductions: cutting the number of personnel, decreasing funds for operations and maintenance, reducing expenditures on materials and equipment, raising class size, and instituting management information systems.

With respect to the actions of particular institutions, the literature seems inclined to broadcast positive, innovative moves rather than to highlight mistakes. Writing in the Boston Globe, for instance, R. S. Kindleberger [21] lauds the move by Smith College to reduce freshman enrollments by ten percent. Smith is initiating the policy to maintain student standards that would be lowered by a deeper dip into its applicant pool. The College, however, expects to enlarge its program for older women and its "Junior Year at Smith" program for visiting undergraduates. Total

enrollments should consequently stay at the previous level.

As a premiere school, though, Smith may not be a good example of what most collegiate institutions should be doing or are doing. A report by Phyllis Franklin [14] on Duke University may be more representative. Franklin observes that Duke instituted a far-ranging retrenchment program, apparently without wholesale alienation of faculty or staff.

Spearheaded by Chancellor A. Kenneth Pye, the retrenchment move focused on preventing rather than correcting problems that might result from anticipated reductions in enrollments and revenues. Pye's plan was predicated on two features--involvement by all vested constituencies, and an insistence on logical argument rather than politics or rhetoric as the keystone to decision-making. Broadly representative committees reviewed all Duke programs. Final decision-making authority, however, rested with the Duke Board of Trustees, which was involved from the beginning of the overall process. Eight criteria were used to judge the relative worth of programs and to determine their particular futures:

1. The program's relevance to the University's goals.
2. The quality of the program and its students, compared to other departments in and outside the institution.
3. Cost of the program.
4. Student demand for the program.

5. The demand for graduates with advanced degrees.
6. The degree to which the program duplicated state university efforts.
7. The degree to which the program related to, complemented, or supported other programs.
8. The degree to which the program met the original intentions of Mr. Duke.

The results of the assessment and retrenchment process were substantial, with minimal dissent manifesting itself. Specifically, the following changes were made: The Department of Education was discontinued. The Department of Health, Physical Education, and Recreation was transferred from the College of Liberal Arts and Sciences to the Division of Student Affairs. No new undergraduate students were to be admitted into the fall 1981 nursing class.

Additionally, the Marine Laboratory and the School of Forestry and Environmental Studies were given a limited amount of time within which to achieve economic stability. Finally, the Department of Sociology was to continue, though with changes in its undergraduate program.

From this brief overview, several points should become obvious. First, retrenchment can take place in an aura of rationality rather than of chaos. Second, it can be proactive rather than reactive. Third, it can be done essentially because

of constituency support rather than despite constituency antagonism.

Concluding Remarks

From all that's been said, it's fairly clear that American academe has fallen on very hard times. The golden years are over for collegiate institutions; the days of austerity and retrenchment have begun.

In the times ahead, though, there exists a far greater danger than the threat to institutional survival. It is that this threat will be seen as the supreme danger. It is that means will become confused with ends, that staying alive per se will serve as a sufficient raison d'etre for colleges and universities. The conveyance of knowledge, the cultivation of the intellect, the search for truth--these traditional goals, in the myopia of the moment, may become subordinated to the simple expedient of survival. In the process, academe may stopping serving society and begin serving itself. Power, the power to endure--whatever the cost to sister institutions or to society itself--may become the focus of individual colleges and universities.

This simply can't be allowed to happen. The difficulties confronting America and the world are simply too immense to be sidestepped by such an academic obsession. A more sublime perspective must now prevail. Otherwise, much more may be lost than a number of admittedly mortal collegiate institutions.

Douglas M. Knight [23] appeals to academe on these accounts. Pointing to world problems and higher education's capacity to wrestle with these problems, he notes: "The university has a purpose beyond its smaller goals. That purpose," he emphasizes, "is not power . . . . It is understanding" [23, p. 45].

References

1. Andringa, R. C. "Personal Perspectives of Federal/State Roles in Postsecondary Education." ERIC, ED 202 345, 1975.

2. Brazziel, W., Professor, The University of Connecticut, Storrs, Connecticut. Personal communication, October 1981.

3. Brubacher, J. S., and W. Rudy. Higher Education in Transition. New York: Harper and Row, 1976.

4. Carnegie Council on Policy Studies in Higher Education. Three Thousand Futures: The Next Twenty Years for Higher Education. San Francisco: Jossey-Bass, 1980.

5. Cheit, E. F. "The Next Decade in Higher Education: Obvious Problems and Solutions." ERIC, ED 202 352, 1981.

6. Clark, D. L., and M. A. Amiot. "The Impact of the Reagan Administration on Federal Education Policy." Phi Delta Kappan, 63 (December 1981), 258-262.

7. Clohan, W. C. "Higher Education in the 1980s: An American Perspective." ERIC, ED 209 993, 1981.

8. Cyert, R. M. "The Management of Universities of Constant or Decreasing Size." ERIC, ED 194 009, 1980.

9. Dede, C. The Need for a New Federal Role in the 1980s. Washington, D.C.: National Institute of Education, 1980.

10. Fass, P. S. The New Deal: Anticipating a Federal Education Policy. Stanford, California: Stanford University, California Institute on Education Finance and Governance, 1981.

11. Fey, J. T. "Why a New Goal for Corporate Giving to Higher Education?" ERIC, ED 203 777, 1981.

12. Folger, J. K. "Legislative Expectations about the Accountability of Higher Education." ERIC, ED 202 310, 1978.

13. Frances, C., and S. L. Coldren. "Capital Formation in Higher Education." ERIC, ED 209 980, 1981.

14. Franklin, P. "Duke University." Educational Record, 63 (Summer 1982), 34-38.

15. Gladieux, L. E., J. S. Hansen, and C. R. Byce. "The Federal Government, the States, and Higher Education: Issues for the 1980s." ERIC, ED 202 405, 1981.

16. Glazer, J. S. "Designing and Managing an Inter-University Consortium in a Period of Decline." Journal of Higher Education, 53 (March/April 1982), 177-194.

17. Harris, M., Staff Person, Connecticut State Board of Higher Education. Personal communication, March 4, 1983.

18. Herklots, A., Director of Financial Aid, Quinebaug Valley Community College, Danielson, Connecticut. Personal communication, March 26, 1983.

19. Ingram, R. T. "Institutional Reactions under Conditions of Fiscal Stress: (Comments on 'Uncertainty in Higher Education: Responses to Stress at Ten California Colleges and Universities')." ERIC, ED 202 315, 1980.

20. Irwin, P. M. Impact of Budget Changes in Major Education Programs, Both Enacted and Proposed, During the 97th Congress. Washington, D.C.: Congressional Research Service, The Library of Congress, 1982.

21. Kindleberger, R. S. "Smith College Decides to Limit Admissions." Boston Globe, March 4, 1983, pp. 19-20.

22. King, R. A. "The Crisis in Higher Education: Facing Reduction and Financial Exigency." ERIC, ED 206 255, 1981.

23. Knight, D. M. "Higher Education 1981 - 2010: A Modest Proposal." Educational Record, 62 (Fall 1981), 44-45.

24. McCarty, J. T. "The Future of Higher Education from the Perspective of a Corporate/Foundation Executive." ERIC, ED 203 779, 1981.

25. McComas J. D. "Higher Education in the Eighties." Paper presented at a conference sponsored by the Faculty Development Center for Faculty and Staff, Mississippi State University, Lake Tiak O'Khata, Mississippi, August 23, 1980.

26. Millard, R. M. "The New Game." ERIC, ED 202 350, 1976.

27. Mingle, J. R., and D. L. Norris. "Colleges Respond to Decline: Resistance Versus Application." ERIC, ED 207 390, 1981.

28. Murray, V., and T. D. Jick. "Coping with Hard Times: Budget Cutbacks in Human Service Organizations. Part I: An Analysis of the Emergence and Recognition of Cutbacks." ERIC, ED 184 918, 1979.

29. Phillips, J. D. "Policy Issues, the Federal Government, and Diversity." ERIC, ED 202 326, 1978.

30. Richards, M. D., and G. R. Sherratt. Institutional Advancement in Hard Times. Washington, D.C.: American Association for Higher Education, 1981.

31. Spence, D. S., and L. F. Joyner. "Funding Higher Education in the 1980s: Responses to Enrollment Shift and Decline." ERIC, ED 212 246, 1981.

32. Wildavsky, A. "On the Uses of Adversity in Higher Education." ERIC, ED 219 054, 1982.

33. Wittstruck, J. R. (Ed.). "The Effect on Higher Education of State Actions in Response to Unanticipated Revenue Shortfalls: A Report of a Survey Initiated by the Washington Council for Postsecondary Education and Responded to by the State Higher Education Executive Offices." ERIC, ED 217 771, 1982.

34. Zacharias, D. W. "Federal Regulations: Perspectives from the University Level." ERIC, ED 213 321, 1981.